

## Ad hoc announcement pursuant to Art. 53 LR

# Reclassification of a portfolio of financial assets

Zurich, 22 December 2022

**EFG International is today announcing an accounting change related to its holdings of fixed income securities in connection with the new capital management framework<sup>1</sup> that it recently presented. As a result of this change, EFG will reclassify a portfolio of financial assets from “financial assets measured at fair value through other comprehensive income” to “other financial assets measured at amortised cost”, effective 01 January 2023. This reclassification will help to reduce volatility in the Group’s regulatory capital and will have no impact on its income statement.**

EFG has continuously strengthened its liquidity position in recent years and today has a highly liquid balance sheet which no longer requires it to hold the same high levels of available-for-sale investment securities. To reduce volatility in its CET1 capital ratio (management floor of 12%, reduced from 14% previously), EFG has now decided to change its treasury business model for the management of its holdings of fixed income securities to align it with the new capital management framework and liquidity funding model.

As a result, and in line with the principles of IFRS 9, that require a reclassification when an entity changes its business model for managing financial instruments, EFG will reclassify a portfolio of financial assets with a fair value of approximately CHF 5 billion from “financial assets measured at fair value through other comprehensive income” to “other financial assets measured at amortised cost”, effective 01 January 2023.

The reclassified portfolio comprises high-quality fixed income securities. The reclassification has no impact on EFG International’s income statement but would have increased the Group’s CET1 ratio by around 1.3% if this change had taken effect on 30 June 2022.

Detailed information on this accounting change will be provided in the Annual Report 2022 of EFG International, which will be published on 22 February 2023.

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<sup>1</sup> For more details, please refer to the Investor Day 2022 presentation from 12 October 2022 available at [www.efginternational.com/ch/investors.html](http://www.efginternational.com/ch/investors.html).

## About EFG International

EFG International is a global private banking group offering private banking and asset management services and is headquartered in Zurich. EFG International's group of private banking businesses operates in around 40 locations worldwide. Its registered shares (EFGN) are listed on the SIX Swiss Exchange.

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